



National Bank  
of Ukraine

# Monthly Business Outlook Survey

October 2024

The findings presented only reflect the opinions of the respondents, and should not be considered as NBU forecasts or assessments

Issue No.61  
Statistics and Reporting Department



## Summary

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Businesses reported a more optimistic economic outlook for the near future: **In October, the business activity expectations index (BAEI), at 49.4, came close to its neutral level**, up from 48.7 in September.

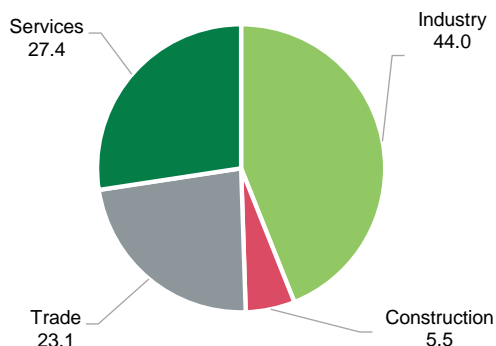
- An optimistic outlook for international financing, reviving consumer demand, the stable situation in the energy sector, a sufficient supply of goods, and favorable weather conditions positively affected business expectations. At the same time, more intense missile and drone attacks on port infrastructure, the risk of further terrorist attacks against energy facilities, rising business costs for energy, labor and logistics, higher fuel prices due to increased excise duty rates, shortages of qualified staff, and accelerating inflation remained restraining factors.
- Respondents were upbeat about goods turnover, purchases of goods for sale, the amount of manufactured goods, construction volumes, purchases of contractor services, and the number of new orders for goods (services).
- With strong expectations of robust growth in purchase prices, companies across all surveyed sectors continued to declare intentions to raise their selling prices.
- The labor market situation remained challenging. Respondents across all of the surveyed sectors declared intentions to cut their staff, with respondents from industrial and construction companies expecting to lay off more staff, and those from trading and services companies expecting to lay off fewer staff.

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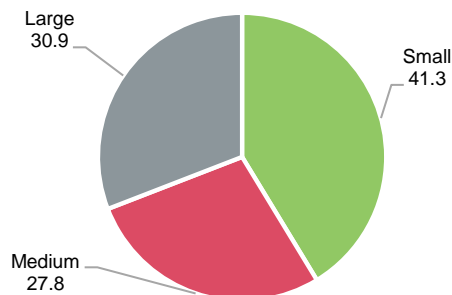
The NBU posts monthly survey results in the open data format. The data are available at the following link:  
<https://bank.gov.ua/ua/open-data/api-dev>

# Survey Details

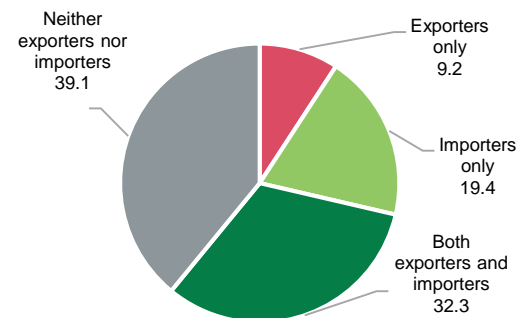
Respondents by sectors of the economy, %



Respondents by company size, %



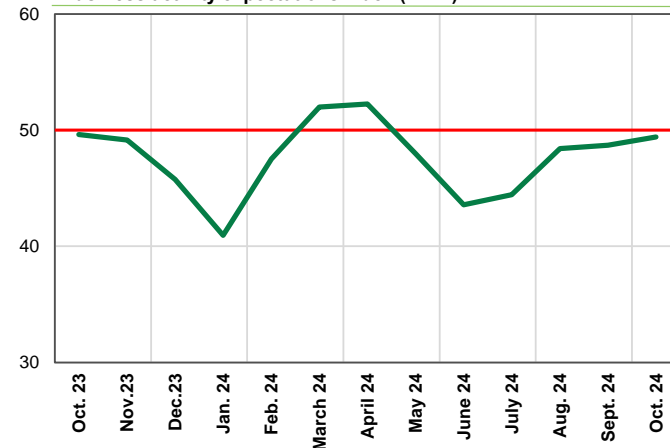
Respondents by business activities, %



- This survey was carried out from 3 October through 23 October 2024
- A total of 489 companies were polled
- Survey horizon: change in companies' performance expectations in October compared to September

Sector	Sector's share used to calculate BAEI, %	Diffusion index (sectoral)		
		September 2024	October 2024	Change m/m
Industry	35.2	50.3	49.8	-0.5
Construction	3.2	50.1	49.6	-0.4
Trade	25.8	52.1	51.9	-0.2
Services	35.8	44.6	47.2	2.7
Total	100.0	BAEI (total across Ukraine)		
		48.7	49.4	0.7

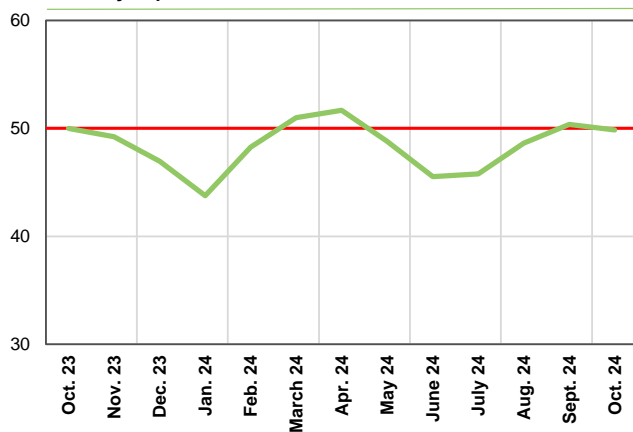
Business activity expectations index (BAEI)



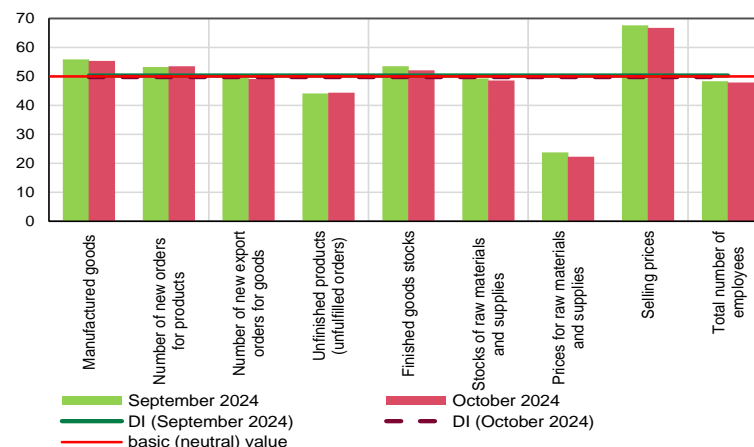
Data for totals and components may be subject to rounding effects

# Industry

Diffusion Index of Industrial Companies' Business Activity Expectations



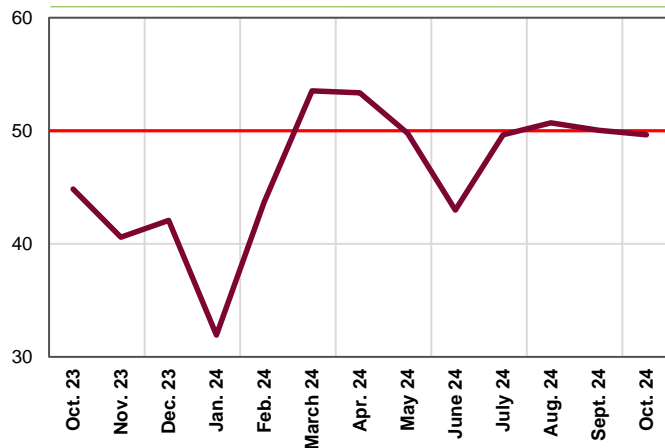
Diffusion Indices (DIs) for industrial companies' performance expectations



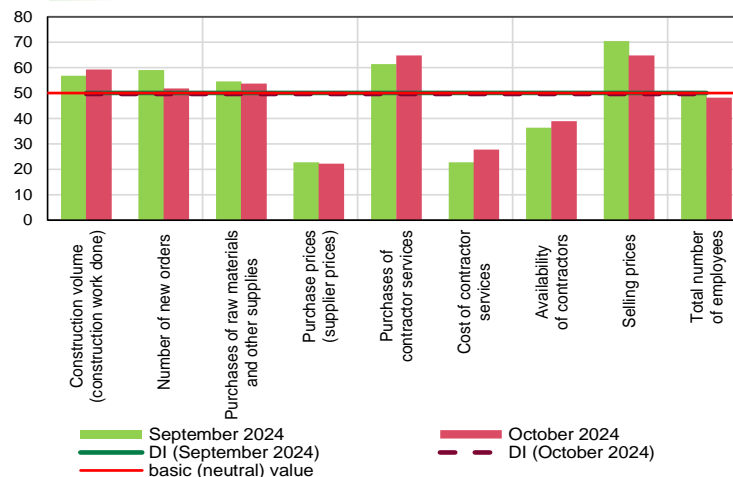
- Industrial companies reported cautious expectations for their current performance on the back of difficult security conditions and rising energy, labor and logistics costs, **the sector's DI being 49.8 in October**, down from 50.3 in September.
- Respondents continued to expect **an increase in the amount of manufactured goods and in the number of new orders for products**, the DIs being 55.3 and 53.5 respectively, compared to 55.9 and 53.3 in September. Companies improved their still pessimistic expectations about the amount of unfinished products, the DI being 44.4, up from 44.1 in September. In contrast, respondents slightly worsened their expectations about the number of new export orders for products, the DI being 49.2, down from 49.6 in September.
- Respondents reported less pessimistic expectations about their finished goods stocks, the DI being 52.1, compared to 53.5 in September. At the same time, industrial companies slightly downgraded their expectations about their stocks of raw materials and supplies, the DI being 48.6, down from 49.3 in September.
- Despite stronger expectations of a rise in raw material and supplies prices, companies declared slightly less firm intentions to raise their selling prices, the DIs being 22.3 and 66.7 respectively, compared to 23.8 and 67.7 in September.
- Respondents continued to report intentions to reduce their workforces, the DI being 47.9, down from 48.3 in September.

# Construction

Diffusion Index of Construction Companies' Business Activity Expectations



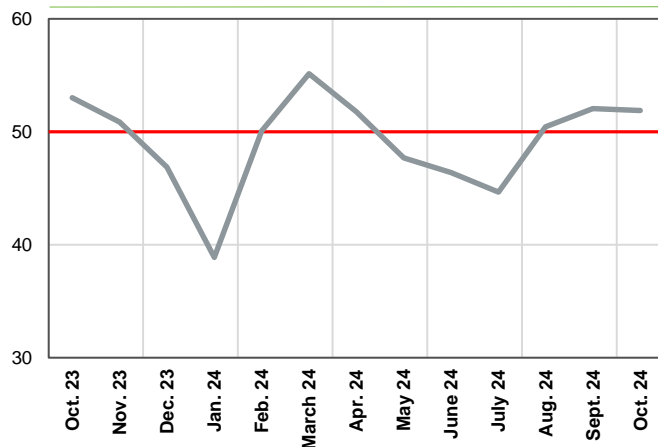
Diffusion Indices (DIs) for construction companies' performance expectations



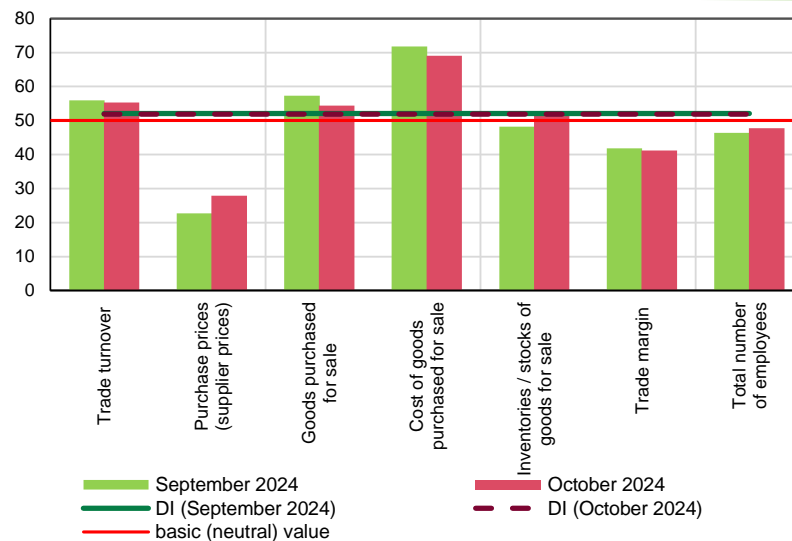
- The seasonal decline in construction of roads and infrastructure worsened the expectations of construction companies, the DI being 49.6 in October, down from 50.1 in September.
- Respondents were less confident about an increase in the number of new orders, and in purchases of raw materials and supplies, the DIs being 51.9 and 53.7 respectively, compared to 59.1 and 54.5 in September. At the same time, companies expected construction volumes to increase further, the DI being 59.3, up from 56.8 in September.
- Respondents were more confident about an increase in purchases of contractor services due to weaker expectations of a rise in the cost of these services, the DIs being 64.8 and 27.8 respectively, compared to 61.4 and 22.7 in September. Respondents continued to say that they were less pessimistic about the availability of contractors, the DI being 38.9, up from 36.4 in September.
- Despite firmer expectations of a rise in purchase prices, respondents reported weaker intentions to raise their selling prices, the DIs being 22.2 and 64.8 respectively, compared to 22.7 and 70.5 in September.
- After reporting positive expectations for three months, respondents said they intended to reduce their workforces, the DI being 48.1, down from 50.0 in September.

# Trade

Diffusion Index of Trading Companies' Business Activity Expectations



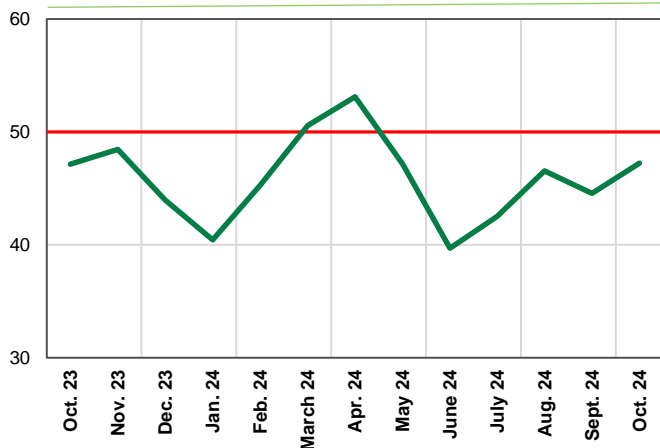
Diffusion Indices (DIs) for trading companies' performance expectations



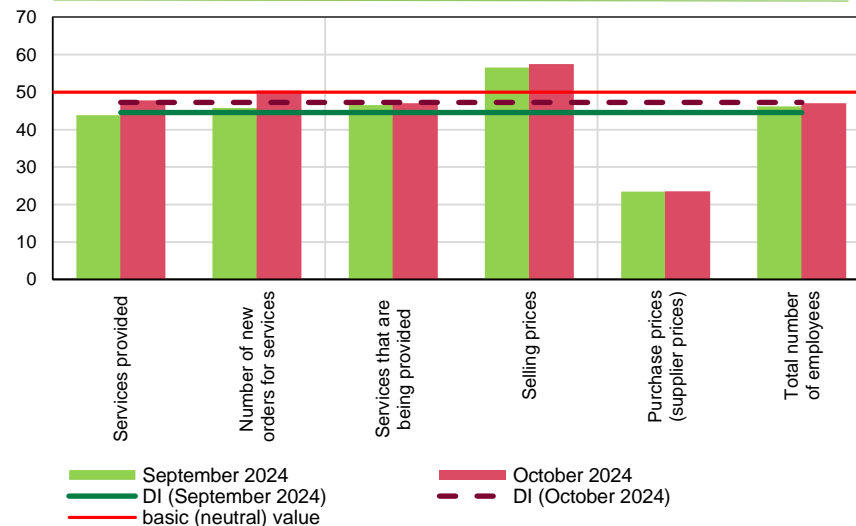
- Although declining slightly, the performance expectations of trading companies remained the most optimistic of all of the sectors, thanks to reviving consumer demand, a sufficient supply of goods, and reestablished supply chains. The sector's DI was 51.9 in October, down from 52.1 in September.
- Respondents expected an increase in trade turnover and in the amount of goods purchased for sale, the DIs being 55.3 and 54.4 respectively, compared to 55.9 and 57.3 in September.
- In contrast, companies worsened their expectations about their stocks of goods for sale, the DI being 52.7, up from 48.2 in September.
- With less firm expectations of a rise in purchase prices, companies declared weaker intentions to raise their selling prices, the DIs being 27.9 and 69.0 respectively, compared to 22.7 and 71.8 in September. Companies in the sector intended to cut their trade margins further, the DI being 41.2, down from 41.8 in September.
- Although continuing to improve, staff expectations still remained negative, the DI being 47.8, up from 46.4 in September.

# Services

Diffusion Index of Service Providers' Business Activity Expectations



Diffusion Indices (DIs) for services companies' performance expectations



- Although improving, the expectations of services companies of their current performance remained the most guarded, amid more intense missile and drone attacks on port infrastructure, rising costs, and shortages of qualified staff, **the sector's DI being 47.2**, up from 44.6 in September.
- For the first time in the last six months, respondents expected a slight increase in the number of new orders for services, the DI being 50.4, up from 45.8 in September. Companies were also less downbeat about the amount of services provided and the amount of services that are being provided, the DIs being 47.8 and 47.0 respectively, up from 43.8 and 46.5 in September.
- With persisting firm expectations of a rise in purchase prices, respondents reported stronger intentions to raise their selling prices, the DIs being 23.5 and 57.5 respectively, compared to 23.5 and 56.5 in September.
- Companies in the sector were the most pessimistic about their total staff numbers, the DI being 47.0, although this was up from 46.2 in September.



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# *Annexes*

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## Data on surveys of industrial companies in October 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Manufactured goods	28	54	18
Number of new orders for products	22	62	15
Number of new export orders for goods	21	57	22
Unfinished products (unfulfilled orders)	11	67	22
Finished goods stocks	19	58	23
Stocks of raw materials and supplies	23	52	26
Prices for raw materials and supplies	56	44	0
Selling prices	36	62	2
Total number of employees	7	81	12

## Data on surveys of construction companies in October 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Construction volume (construction work done)	33	52	15
Number of new orders	26	52	22
Purchases of raw materials and supplies	26	56	19
Purchase prices (supplier prices)	56	44	0
Purchases of contractor services	33	63	4
Cost of contractor services*	44	56	0
Availability of contractors	15	48	37
Selling prices	30	70	0
Total number of employees	11	74	15

## Data on surveys of trading companies in October 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Trade turnover	33	45	22
Purchase prices (supplier prices)	45	54	1
Goods purchased for sale	35	40	26
Cost of goods purchased for sale	50	39	12
Inventories / stocks of goods for sale*	22	50	27
Trade margin	9	65	27
Total number of employees	6	83	11

## Data on surveys of companies in the services sector in October 2024

Indicator	% responses		
	Will increase	Will remain unchanged	Will decrease
Services provided	20	55	25
Number of new orders for services	24	53	23
Services that are being provided	16	61	22
Selling prices	19	76	4
Purchase prices (supplier prices)	55	43	2
Total number of employees	8	78	14

## Main Terms and Definitions

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- **The diffusion index (DI)** is calculated as the sum of the percentage of positive replies (indicates an increase) and half of the percentage of neutral replies (indicates no change), using the following formula:

$$DI_j = (P \cdot 1) + (E \cdot 0.5) + (N \cdot 0),$$

where **P** is the percentage of respondents that reported an increase (optimistic views)

**E** is the percentage of respondents that reported no change and

**N** is the percentage of respondents that reported a decrease (pessimistic views).

Provided that  $P + E + N = 100$

- The values of the index can range between 0 and 100:
  - a value of 50.0** indicates no change compared to the previous month
  - values above 50.0** indicate an improvement or an increase compared to the previous month
  - values below 50.0** indicate a deterioration or a decrease compared to the previous month.

The more the indices deviate from the value of 50.0, the greater the velocity of change.
- The diffusion indices were calculated using the inverse of replies regarding the following indicators: stocks of finished goods and the prices of raw materials and supplies for industry; purchase prices/supplier prices and the cost of contractor services for construction; purchase prices/supplier prices and stocks of goods for sale for trade; and purchase prices/supplier prices for the services sector. The inverse of replies means that an increase indicates pessimistic views, while a decrease indicates optimistic views.
- **BAEI** is a weighted average indicator that is calculated on the basis of each sector's share in the weight structure.



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